



October 19, 2005

INFORMATION REQUEST OR TRANSMITTAL NO. 05-05 Rev B

TO: Division Chief, Acquisition Management I Division
Division Chief, Acquisition Management II Division
Division Chief, Acquisition Management III Division
Division Chief, Administrative Services Division
Division Chief, Customer Relations Division
Division Chief, Acquisition and Property Management Division

FROM: David Sutfin
Assistant Director, NBC/GovWorks Acquisition Directorate

SUBJECT: Department of Interior (DOI) Emergency Procurement Authorities

PURPOSE: This transmittal provides Amendment 3 to DOI's policy that increased procurement thresholds for the Hurricane Katrina relief efforts.

EFFECTIVE DATE: Upon issuance and will remain in effect until canceled, amended or otherwise superseded.

SCOPE: This transmittal applies to all NBC/GovWorks acquisition personnel.

BACKGROUND/DISCUSSION:

The DOI issued a Determination and Findings (D&F) on September 6, 2005, authorizing the use of emergency procurement authorities in support of Hurricane Katrina relief efforts. On September 26, 2005, DOI issued Amendment 2 to this D&F which provided management controls for acquisitions in support of the relief effort. Appendix A to Amendment 2 of the D&F provided definitions, limitations, and program management responsibilities. Amendment 3 issued on October 4, 2005, amends the D&F, Amendment, 2 as follows:

- Lowers the threshold of the Hurricane Katrina effort from \$250,000 to \$15,000.
- Raises the procurement threshold for micro-purchases to \$250,000 **only with prior express approval by the Office of Management and Budget through the DOI Senior Procurement Executive and** subject to the definitions, limitations, program management responsibilities, and additional acquisitions responsibilities.
- Revises Appendix A of Amendment 2 to include additional responsibilities; e.g., provide maximum practicable opportunities to small businesses; contract with local organizations, firms, individuals to the extent practicable, etc.
- Provides a Department-wide Action Plan for significant acquisitions to be implemented immediately by all bureau and office directors.

The point of contact for this IRT is Chief, Policy Branch (703) 787-1537.

Attachment 1 – DOI-D&F, Amendment 3 (includes Appendix A)

Attachment 1B – Significant Acquisition spreadsheet for Attachment 1

Attachment 2 – DOI-Action Plan

Attachment 2A – Significant Acquisition spreadsheet for Attachment 2

Attachment 2 - DOI Action Plan

October 4, 2005

Memorandum

To: Assistant Secretaries
Inspector General
Solicitor
Heads of Bureaus and Offices

From: P. Lynn Scarlett */signed P. Lynn Scarlett/*
Assistant Secretary – Policy, Management and Budget

Subject: Departmentwide Action Plan for Monitoring Significant Acquisitions
Related to Hurricane Katrina

The Office of Management and Budget requires all agencies involved in Hurricane Katrina rescue and relief activities to develop and implement agency-wide action plans for monitoring significant acquisitions made in support of the hurricane's rescue and relief operations. On September 27, 2005, the attached Department of the Interior Action Plan was submitted to the Office of Management and Budget for review and approval.

Effective immediately, bureau and office directors shall implement the attached Departmentwide Action Plan for Significant Acquisitions Related to Hurricane Katrina. By October 14, 2005, bureau and office directors will establish Bureau/Office Hurricane Relief Acquisition Review Boards to review at regular intervals, bureau/office contracting activity reports on all significant acquisitions made in support of Hurricane Katrina rescue and relief operations, in accordance with the instructions contained in section V. **Oversight** of the attached plan. (See section III., **Definitions**, for definition of "significant acquisition.")

As detailed in the plan, not more than 60 days following their initial meeting (to be held on or about October 21, 2005), bureau/office boards will provide to the Assistant Secretary – Policy Management and Budget (Attention: Senior Procurement Executive) through their respective bureau/office director, a comprehensive interim or final report, as appropriate, of board activities. The boards will meet at regular intervals for the duration of the Hurricane Katrina relief effort. In addition, a comprehensive report will be required when each board has completed its review activities following the termination of bureau/office Hurricane Katrina relief support.

If you have any questions regarding the attached plan, please contact Debra Sonderman, Director, Office of Acquisition and Property Management and Senior Procurement Executive on 202-208-6352. Staff questions may be addressed to Patricia Corrigan, Office of Acquisition and Property Management on 202-208-1906.

[Attachment](#)

**UNITED STATES DEPARTMENT OF THE INTERIOR
STEWARDSHIP ACTION PLAN FOR SIGNIFICANT ACQUISITIONS RELATED TO
HURRICANE KATRINA**

I. Purpose. To provide an agency-wide action plan for ensuring prudent stewardship of taxpayer funds for current and future acquisitions supporting Hurricane Katrina rescue, recovery, and reconstruction operations.

II. Applicability. This action plan applies to all Department of the Interior bureaus and offices involved in awarding acquisition transactions in support of Hurricane Katrina rescue and relief operations. If warranted, this plan will be expanded to include additional contingency contracting situations. The agency's Senior Procurement Executive (SPE) will advise affected agency personnel of any expansion.

III. Definitions.

A. Transactions in support of Hurricane Katrina rescue and relief operations. Official and necessary expenses authorized to support agency mission including continuity of operations, and/or the disaster relief responsibilities/efforts of other agencies as provided for under the Economy Act or other appropriate authorities, *and* used to alleviate the suffering and damage resulting from Hurricane Katrina.

B. Significant acquisition. Based on an overall assessment of risk (considering awards to date, dollar amount of acquisitions, acquisition strategy, technical requirements, and related factors) and for purposes of this action plan, the Department of the Interior defines "significant acquisition" as follows:

- Any acquisition transaction in support of Hurricane Katrina rescue and relief operations over \$500,000 resulting from use of emergency authorities.
- Any individual purchase card transaction in support of Hurricane Katrina rescue and relief operations between \$15,000 and \$250,000.
- Any transactions over \$2,500 paid for using convenience checks under the DOI Integrated Charge Card Program's purchase business line.
- Any acquisition transaction in support of Hurricane Katrina rescue and relief operations (of any dollar value) made within the first 14 working days following Hurricane Katrina (i.e., from August 29, 2005 through September 16, 2005).
- Acquisitions that the Chief Acquisition Officer (CAO), Senior Procurement Executive, Chief Financial Officer (CFO), Inspector General (IG), Chief Information Officer (CIO), the Solicitor (SOL), program managers, or bureau Heads of Contracting Activity consider risky for any reason -- including complexities in technical requirements or marketplace solutions (e.g., unusual requirements, lack of information about vendor capability, inexperience with particular acquisition strategies).

C. Exceptional circumstances. Life-threatening circumstances and those situations posing an immediate threat to the safety of individuals and the public health.

IV. Emergency Procurement Authorities. To date, the Assistant Secretary – Policy, Management and Budget (i.e., the CAO) under the authority delegated her under Part 209, Chapter 4 of the U.S. Department of the Interior Departmental Manual, and the Senior Procurement Executive have issued the following policies, procedures, and internal controls to implement emergency procurement authorities:

- A. September 1, 2005, Department of the Interior Acquisition Policy Release (DIAPR) 2005-05: Departmental Class Justification and Approval to Limit Competition and Waiver of Publication Requirements for Acquisitions in Response to Hurricane Katrina;
- B. September 6, 2005, Department of the Interior Determination and Findings increasing certain procurement thresholds for all Department of the Interior contracting activities in accordance with 41 USC 428a(b) and(c), *except for* construction subject to the Davis-Bacon Act, 40 USC 276 *and limited to* direct response to the current Hurricane Katrina disaster relief operations;
- C. September 9, 2005, Department of the Interior Determination and Findings, Amendment 1, amending the Department of the Interior Determination and Findings issued on September 6, 2005, which raised procurement thresholds identified in Federal Acquisition Regulation Part 13 in support of hurricane relief efforts, to eliminate the exception for construction subject to the Davis-Bacon Act stated in Determination 2, in accordance with Presidential Proclamation dated September 8, 2005.
- D. September 26, 2005, Department of the Interior Determination and Findings, Amendment 2, raising the procurement threshold for micro-purchases to \$250,000 subject to the definitions, limitations, program management responsibilities, and additional acquisition responsibilities identified by the Office of Management and Budget (OMB) in its September 13, 2005 Memorandum for Chief Acquisition Officers and Chief Financial Officers regarding Governmentwide requirements for implementing management controls to support Public Law 109-62's increased micro-purchase threshold for Hurricane Katrina Rescue and Relief Operations, and subsequent guidance issued by OMB during the week of September 19, 2005.
- E. October 4, 2005, Department of the Interior Determination and Findings, Amendment 3, supersedes Amendment 2, and implements Office of Management and Budget requirements limiting micro-purchase threshold, except for exceptional circumstances, the cases for which are subject to prior review and approval by the Office of Management and Budget, to \$15,000.

V. Oversight. Spending on contingency operations, such as Hurricane Katrina, requires increased scrutiny and additional internal controls for each action defined as a "significant acquisition" (see III above).

- A. Review of Existing Procurement Actions.** In consultation with the Department of the Interior's Senior Procurement Executive, the Interior CAO will require Interior bureau and office directors to establish Hurricane Relief Acquisition Review Boards on or about ***October 14***, 2005 to review at regular intervals bureau/office contracting activity reports on all "significant acquisitions" in support of Hurricane Katrina rescue and relief operations (see Attachment A). The boards will meet at regular intervals for the duration

of the Hurricane Katrina relief effort. The first in a series of board meetings will be held on or about October 21, 2005.

The boards shall review their respective contracting activity reports on each “significant acquisition” to verify that the transactions identified in the reports (a) meet the definition of “transaction in support of Hurricane Katrina rescue and relief operations” as defined in section III.A., above; (b) comply with law and regulation; and (c) were otherwise reasonable and appropriate. Further, the boards will determine whether modifications, terminations, or follow-on transactions are in the best interest of the government.

The boards will:

1. Develop an aggressive but realistic timetable for completing their review activities; and
2. Not more than 60 days following their initial meeting, will provide to the Interior Chief Acquisition Officer (Attention: Senior Procurement Executive) through their respective bureau/office director a comprehensive interim or final report (as appropriate)* of board activities including:

- (a) transaction review findings and recommendations (including policy recommendations, e.g., suggestions related to the mitigation efforts identified in section V.B., below);
- (b) corrective actions taken;
- (c) any identified best practices; and
- (d) lessons learned.

* In cases where hurricane relief support is provided for a period beyond 60 days following the bureau/office Hurricane Relief Acquisition Review Board’s initial meeting, interim reports shall be provided to the Interior CAO in intervals of not more than 60 days. A final, comprehensive report will be required when a board has completed its review activities following the termination of bureau/office Hurricane Katrina relief support.

3. At minimum, include the bureau/office: (1) Head of Contracting Activity; (2) Bureau Procurement Chief; (3) Chief Financial Officer; (4) Chief Information Officer (as appropriate); (5) Engineering or Facility/Construction representative or other program representative (as appropriate) -- or their designees.

Representatives from the Office of the Secretary Office of Acquisition and Property Management, and Office of the Solicitor will be available to the boards in an advisory capacity. Follow-up reviews of any of the identified significant acquisition transactions may be made by representatives of either or both the Office of Acquisition and Property Management and the Office of the Solicitor at the Solicitor and/or the Senior Procurement Executive’s discretion.

B. Internal Controls for Future Procurement Actions. Moreover, based on their hurricane rescue/relief experiences and needs, the boards shall, as part of their reporting process, identify and elevate for Departmental consideration and implementation, processes for mitigating acquisition, financial and program management risk for future Katrina-related activities. These processes shall reflect an increased level of oversight

and attention for “significant acquisitions,” as defined above. Mitigation efforts shall include, at a minimum, the following outcomes.

1. Minimization of variances in cost, schedule, or performance of “significant acquisitions.”
2. Increased program management approvals based on the risk and value of “significant acquisitions.”
3. Additional program management responsibilities to monitor contractor performance, as well as to verify that contractors have performed fully in accordance with the terms & conditions of their “significant acquisitions.”
4. Additional financial management controls.

C. Reporting. The boards shall establish internal reporting requirements (including frequency thereof) for Katrina-related rescue/relief acquisition activities, with emphasis on “significant acquisitions.” Bureaus/offices will use Attachment A (format for tracking significant acquisition information) as a reporting tool in addition to appropriate Bank of America charge card, and Federal Procurement Data System-Next Generation reports to meet their review, oversight and reporting needs.

VI. Managing Interagency Contracting. When conducting acquisitions for other Federal agencies, cognizant contracting officers and funds certifying officials will apply additional oversight to ensure the requesting agency has:

- A. the authority to make the purchase;
- B. provided sufficient funds; and
- C. approved the statement of work, and otherwise concurs with the acquisition and program management plan established for the acquisition.

Cognizant contracting officers shall fully document the transaction, including the date and time of the request, the name and contact information of the requesting official, and funding authorization information.

VII. Responsibilities. Bureau/office Heads of Contracting Activity shall articulate the various roles, responsibilities, and thresholds for appropriate acquisition-related officials, such as those listed below, in Katrina-related activities within the limitations and in compliance with the requirements identified in the **Emergency Procurement Authorities** issued by the Interior CAO and SPE. However, approval thresholds for “significant acquisitions” shall generally be at a level higher than non-contingency contracting transactions.

- Contracting Officers.
- Bureau Procurement Chiefs
- Requiring Officials, Program Managers, and Contracting Officer Technical Representatives (COTRs).
- Purchase Cardholders and Approving Officials.
- Bureau/Office Charge Card Program Agency/Organization Program Coordinators
- Funds Certifying Officials

VIII. Additional Guidance. September 23, 2005: Interior Chief Information Officer Memorandum to Assistant Secretaries and Heads of Bureaus and Offices: Temporary Approval of Wireless Technologies Waiver Requests to Support Emergency Efforts.

In addition to the guidelines issued in IV above, the boards shall compile and provide to the CAO with their report(s) any additional Katrina-related guidance issued by their bureaus/offices organizations, the DOI, CFO, Office of Inspector General or other organizations that affects the acquisition process for this effort.

IX. Contingency Contracting Personnel. After consulting with appropriate Departmental personnel, and based upon the recommendations of the Bureau Procurement Chief of each contracting activity, the Department of the Interior has determined that it has sufficient contracting personnel and organizational infrastructure in place to fulfill mission requirements related to disaster relief, specifically the Hurricane Katrina effort. Moreover, the agency's Integrated Charge Card Program includes requisite competencies (including training) for purchase cardholders and Approving Officials. The SPE shall remain in close contact with the Bureau Procurement Chiefs and the Integrated Charge Card Program Manager. Should the existing acquisition competencies need to be strengthened or new competencies developed, the CAO and SPE shall -- no later than **November 1**, 2005 -- develop a training and development plan to achieve that goal.

X. Effective Date. This contingency contracting action plan is effective upon signature.

/signed P. Lynn Scarlett/

10/04/2005

P. Lynn Scarlett
Assistant Secretary – Policy,
Management and Budget

Date

Attachment 2A for Action Plan

**REPORT OF “SIGNIFICANT ACQUISITION” ACTIONS FOR THE PERIOD OF _____ TO _____ FOR THE KATRINA
RELIEF EFFORT**

DOI Bureau/ Office	Dollar Amt of Action	Source of Funding (e.g., FEMA)	Contract vehicle no. (e.g., contract, purchase order, delivery order, task order no.)	Requirement Description	Period of Performance	Signifiant Acquisition Authority Used*	Approving Official (e.g., CAO, SPE, HCA, etc.)

*Identify type of “Significant Acquisition” awarded. See definition in Paragraph III of Plan.

ATTACHMENT 1 – D&F

**United States
Department of the Interior
Determination and Findings
Amendment 3**

FINDINGS

1. On September 26, 2005, Amendment 2 to the Department of the Interior Determination and Findings dated September 6, 2005 was issued.

2. Based on enactment of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, Public Law 109-62, specifically, section 101(2), Amendment 2 raised the procurement threshold for micro-purchases to \$250,000 subject to the definitions, limitations, program management responsibilities, and additional acquisition responsibilities identified in Appendix A to the amendment.

3. In a Memorandum for Heads of Executive Departments and Agencies, dated October 3, 2005 (attached), the Deputy Director for Management, Office of Management and Budget (OMB) states that:

After consultation with officials from many of the departments and agencies, We have concluded that the need for the increased micro-purchase threshold authorized by section 101, has diminished. We therefore request that agencies not utilize this increased authority unless there are exceptional circumstances.

4. The Office of Management and Budget memorandum adds that OMB must review and clear any cases where agencies believe that such exceptional circumstances exist (i.e., for using the micro-purchase threshold up to \$250,000), *prior to* the agency or any units thereof exercising the increased micro-purchase authority.

DETERMINATION

Based on the attached October 3, 2005, Office of Management and Budget memorandum:

1. Effective immediately, unless prior approval is sought and received from the Office of Management and Budget through the Department of the Interior Senior Procurement Executive, individual purchase card transactions in support of Hurricane Katrina rescue and relief operations shall be limited to the micro-purchase level of \$15,000 identified in Determination section 2 (a) of the September 6, 2005 Department of the Interior Determination and Findings.
2. Amendment 2 to the Department of the Interior Determination and Findings, issued on September 26, 2005<, is superseded with the following:

FINDINGS

3. On September 8, 2005, the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, Public Law 109-62, (hereinafter “the Act”) was signed by the President.
4. Section 101 of the Act, General Provision, states the following:
Sec. 101. For procurements of property or services determined by the head of an executive agency to be used in support of Hurricane Katrina rescue and relief operations:
 1. the emergency procurement authority in subsection 32A(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 428a(c))may be used; and
 2. the amount specified in subsections (c), (d), and (f) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) shall be \$250,000.
5. Section 101, as enacted, allows all Federal agencies to: (a) use the emergency procurement authorities specified in the Office of Federal Procurement Policy Act for Hurricane Katrina relief efforts; and (b) increases the micro-purchase threshold up to \$250,000 for procurement of property and services determined by the head of an executive agency to support Hurricane Katrina rescue and relief operations.

6. In a September 13, 2005 Memorandum for the Chief Acquisition Officers and Chief Financial Officers, the Office of Management and Budget issued Governmentwide requirements for implementing management controls to support Public Law 109-62's increased micro-purchase threshold for Hurricane Katrina Rescue and Relief Operations. In addition, during the week of September 19, 2005, further related management control instructions were provided by the Office of Management and Budget.

DETERMINATION

7. Based on enactment of section 101, Public Law 109-62, and pursuant to the authority delegated me under Part 209, Chapter 4 of the Department of the Interior Departmental Manual, I hereby amend Determination 2.(1) of the Department of the Interior Determination and Findings issued on September 6, 2005 to raise the procurement threshold for micro-purchases to \$250,000 **only with prior express approval by the Office of Management and Budget and** subject to the definitions, limitations, program management responsibilities, and additional acquisition responsibilities identified in Appendix A (**Revised**) to this Determination and Findings.
3. Only under exceptional circumstances, which are defined as life-threatening circumstances and those situations posing an immediate threat to the safety of individuals and the public health, *and* with prior approval of the Office of Management and Budget (see above) are Department of the Interior bureaus/offices authorized to exercise the increased single micro-purchase authorities identified in section B.2.(a) and (b) of Appendix A (Revised) (attached).

/signed P. Lynn Scarlett/

10/04/2005

P. Lynn Scarlett
Assistant Secretary – Policy,
Management and Budget

Date

Appendix A
(Revised: 10/04/05)

Management Controls for Implementing Section 101 of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, Public Law 109-62

A. Definitions.

For purposes of implementing the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, Public Law 109-62, under United States Department of the Interior Determination and Findings, Amendment 3, the following definitions apply:

1. Transactions in support of Hurricane Katrina rescue and relief operations: Official and necessary expenses authorized to support agency mission including continuity of operations, and/or the disaster relief responsibilities/efforts of other agencies as provided for under the Economy Act or other appropriate authorities, *and* used to alleviate the suffering and damage resulting from Hurricane Katrina.

2. In good standing: To be considered in good standing, and therefore eligible for delegation of single micropurchase authority over \$15,000, a cardholder and/or contracting officer, as appropriate, must meet the following criteria:

1. Have no record of past, present, or pending suspension or termination for cause actions against their warrant or micropurchase authority (as defined in the Department of the Interior Contracting Officer's Warrant Manual, accessible at: <http://www.doi.gov/pam/cows.html#1>); *and*
2. Have had no delinquencies on their charge card account within the past calendar year.

3. Significant acquisition: Based on an overall assessment of risk (considering awards to date, dollar amount of acquisitions, acquisition strategy, technical requirements, and related factors) the Department of the Interior defines “significant acquisition” as follows:

1. Any acquisition transaction in support of Hurricane Katrina rescue and relief operations over \$500,000 resulting from use of emergency authorities.
2. Any individual purchase card transaction in support of Hurricane Katrina rescue and relief operations between \$15,000 and \$250,000.
3. Any transactions over \$2,500 paid for using convenience checks under the DOI Integrated Charge Card Program's purchase business line.
4. Any acquisition transaction in support of Hurricane Katrina rescue and relief operations (of any dollar value) made within the first 14 working days following Hurricane Katrina (i.e., from August 29, 2005 through September 16, 2005).
5. Acquisitions that the Chief Acquisition Officer (CAO), Senior Procurement Executive, Chief Financial Officer (CFO), Inspector General (IG), Chief Information Officer (CIO), the Solicitor (SOL), program managers, or bureau Heads of Contracting Activity consider risky for any reason - including complexities in technical requirements or marketplace solutions (e.g., unusual requirements, lack of information about vendor capability, inexperience with particular acquisition strategies).

4. **Exceptional circumstances:** Life-threatening circumstances and those situations posing an immediate threat to the safety of individuals and the public health.

B. Program management responsibilities.

1. Heads of contracting activities (as defined in Department of the Interior Acquisition Regulation subpart 1402.101) without authority to redelegate to a lower level, may, based upon disaster relief needs, authorize increased single micropurchase procurement threshold for charge cardholders and contracting officers in their bureau/office under the following conditions/limitations:

1. **Single Micropurchase Procurement Authority up to \$15,000:**

Must be based on cardholder supervisor's written approval/endorsement. No warrant required for use of charge card as

a procurement instrument for open market purchases and charges against Federal Supply Schedules and other established sources over \$2,500 up to \$15,000.

2. In accordance with Office of Management and Budget requirements, single micropurchase authority may be granted to the thresholds identified below only under exceptional circumstances (see definition A.4.) and with prior approval by the Office of Management and Budget through the DOI Senior Procurement Executive. Heads of contracting activities are also responsible for identifying in writing and maintaining a listing of those individuals that have been granted authority to use the higher micropurchase thresholds identified in section B.2. a) and b), below.

1. Single Micropurchase Procurement Authority Over \$15,000 up to \$50,000: Only with prior express approval by the Office of Management and Budget Through DOI Senior Procurement Executive.

(Applies to open market purchases over \$15,000 up to \$50,000.)

May only be granted to cardholders that: (1) have obtained supervisor's written approval/endorsement; (2) are in good standing relative to their warrant and charge card privileges; (3) have satisfactorily completed Department of the Interior Purchase Card training *and* meet the 80 hour training requirement for Level IIB contracting officers as identified in the Department of the Interior Contracting Officer's Warrant Manual's section on Individual Warrant Qualification Requirements, accessible at: <http://www.doi.gov/pam/cows.html#4>, i.e., Candidates must satisfactorily complete 40 hours training in Federal Acquisition Regulation simplified acquisitions and procedures for federal supply schedule ordering, and an additional 40 hours in one or more of the following topics:

- Advanced/Intermediate Simplified Acquisition
- Price Analysis
- Contracting by Negotiation
- Basic Contract Administration
- Commercial Items Acquisition

2. Single Micropurchase Procurement Authority Over \$50,000 up to \$250,000: Only with prior express approval by the Office of Management and Budget Through DOI Senior Procurement Executive.

(Applies to open market purchases over \$50,000 up to \$250,000.) May only be granted to Level III or Level IV contracting officers that: (1) have obtained supervisor's written approval/endorsement; (2) are in good standing relative to their warrant and charge card privileges; (3) have satisfactorily completed Department of the Interior Purchase Card training *and* meet the training requirements for their respective warrant level as identified in the Department of the Interior Contracting Officer's Warrant Manual's section on Individual Warrant Qualification Requirements, accessible at: <http://www.doi.gov/pam/cows.html#4>.

3. Bureaus/offices shall, in consultation with the Charge Card Support Center and Bank of America: a) establish specific option sets in order to track transactions made using any increased micropurchase authority under sec. 101 of the Act. This should enhance the ability of the card manager to isolate transactions associated with the hurricane efforts for later reporting or audits. With specific, new option sets, the data will not be commingled with fire, or other transactions not associated with the hurricane relief. Therefore, existing option sets must not be modified; and, b) raise monthly and single transaction limits, as appropriate.

4. In consultation with the Department of the Interior's Senior Procurement Executive, the Interior Chief Acquisition Officer (CAO) will require Interior bureau and office directors to establish Hurricane Relief Acquisition Review Boards on or about **October 14**, 2005 to review at regular intervals bureau/office contracting activity reports on all "significant acquisitions" in support of Hurricane Katrina rescue and relief operations (see Attachment B). The boards will meet at regular intervals for the duration of the Hurricane Katrina relief effort. The first in a series of bureau/office board meetings will be held on or about **October 21**, 2005.

The boards shall review their respective contracting activity reports on each "significant acquisition" to verify that the transactions identified

in the reports (a) meet the definition of “transaction in support of Hurricane Katrina rescue and relief operations” as defined in section A.1., above; (b) comply with law and regulation; and (c) were otherwise reasonable and appropriate. Further, the boards will determine whether modifications, terminations, or follow-on transactions are in the best interest of the government.

5. The boards will:

a.) Develop an aggressive but realistic timetable for completing their review activities; and

b.) Not more than 60 days following their initial meeting, will provide to the Interior Chief Acquisition Officer (Attention: Senior Procurement Executive) through their respective bureau/office director a comprehensive interim or final report (as appropriate)* of board activities including:

1. transaction review findings and recommendations (including policy recommendations, e.g., suggestions related to the mitigation efforts identified in section B.6., below);
2. corrective actions taken;
3. any identified best practices; and
4. lessons learned.

* In cases where hurricane relief support is provided for a period beyond 60 days following the bureau/office Hurricane Relief Acquisition Review Board's initial meeting, interim reports shall be provided to the Interior CAO in intervals of not more than 60 days. A final, comprehensive report will be required when a board has completed its review activities following the termination of bureau/office Katrina relief/support.

c.) At minimum, include the bureau/office: (1) Head of Contracting Activity; (2) Bureau Procurement Chief; (3) Chief Financial Officer; (4) Chief Information Officer (as appropriate); (5) Engineering or Facility/Construction representative or other program representative (as appropriate) -- or their designees.

Representatives from the Office of the Secretary Office of Acquisition and Property Management, and Office of the Solicitor will be available to the boards in an advisory capacity. Follow-up reviews of any of the identified significant acquisition transactions may be made by representatives of either or both the Office of Acquisition and Property Management and the Office of the Solicitor at the Solicitor and/or the Senior Procurement Executive's discretion.

6. Moreover, based on their hurricane rescue/relief experiences and needs, the boards shall, as part of their reporting process, identify and elevate for Departmental consideration and implementation, processes for mitigating acquisition, financial and program management risk for future Katrina-related activities. These processes shall reflect an increased level of oversight and attention for “significant acquisitions,” as defined above. Mitigation efforts shall include, at a minimum, the following outcomes.

1. Minimization of variances in cost, schedule, or performance of “significant acquisitions.”
2. Increased program management approvals based on the risk and value of “significant acquisitions.”
3. Additional program management responsibilities to monitor contractor performance, as well as to verify that contractors have performed fully in accordance with the terms & conditions of their “significant acquisitions.”
4. Additional financial management controls.

The boards shall establish internal reporting requirements (including frequency thereof) for Katrina-related rescue/relief acquisition activities, with emphasis on “significant acquisitions.” Bureaus/offices will use Attachment B (format for tracking significant acquisition information) as a reporting tool in addition to appropriate Bank of America charge card, and Federal Procurement Data System-Next Generation reports to meet their review, oversight and reporting needs.

C. Additional Acquisition Responsibilities.

1. Cardholders and ordering officials are reminded to ensure that prices are reasonable. These common sense determinations may take into consideration the extraordinary circumstances of the rescue and recovery operations.
2. Although there is no absolute requirement to award micropurchases to small businesses, bureaus/offices using this authority are expected to provide small businesses with maximum practicable opportunity under the circumstances to participate in federal acquisitions as prime contractors and subcontractors. Where possible and consistent with efficient acquisition of needed supplies and services, local small businesses should be given priority.
3. Section 307 of the Stafford Act (P.L. 93-288) establishes a preference, to the extent feasible and practicable, for contracting with local organizations, firms, or individuals for debris clearance, distribution of supplies, reconstruction, and other major disaster or emergency assistance activities.
4. When conducting acquisitions for other Federal agencies, cognizant contracting officers and funds certifying officials will apply additional oversight to ensure the requesting agency has:
 - a.) the authority to make the purchase;
 - b.) provided sufficient funds; and
 - c.) approved the statement of work, and otherwise concurs with the acquisition and program management plan established for the acquisition.

Cognizant contracting officers shall fully document the transaction, including the date and time of the request, the name and contact information of the requesting official, and funding authorization information.

5. The Federal Procurement Data System "Next Generation's" Governmentwide \$2,500 procurement transaction reporting threshold remains in force. Effective immediately, contracting

personnel/cardholders shall include the following annotation in the
Description line of applicable transaction reports: Katrina.

Attachment B for D&F

**REPORT OF “SIGNIFICANT ACQUISITION” ACTIONS FOR THE PERIOD OF _____ TO _____ FOR THE KATRINA
RELIEF EFFORT**

DOI Bureau/ Office	Dollar Amt of Action	Source of Funding (e.g., FEMA)	Contract vehicle no. (e.g., contract, purchase order, delivery order, task order no.)	Requirement Description	Period of Performance	Significant Acquisition Authority Used*	Approving Official (e.g., CAO, SPE, HCA, etc.)

*Identify type of “Significant Acquisition” awarded. See definition in Paragraph A of Management Controls, Appendix A.